



State of California  
*Employment Training Panel*

*Arnold Schwarzenegger, Governor*

October 23, 2009

Robin Peinado, Administrative Assistant  
Quest Diagnostics Nichols Institute  
33608 Ortega Highway  
San Juan Capistrano, CA 92690

Dear Ms. Peinado:

RE: **Final MONITORING REPORT** for Quest Diagnostics Nichols Institute (Nichols) – ET08-0241

<b>Date of the Visit:</b>	10/20/09
<b>Beginning/Ending Time:</b>	10:00 a.m. – 11:00 a.m.
<b>Date of Last Visit:</b>	07/14/09
<b>Visit Location:</b>	Via Teleconference
<b>Persons in attendance:</b>	Robin Peinado, Administrative Assistant, Nichols, and Carole Robinson, Contract Analyst, ETP.
<b>Action Required:</b>	No

<b>Term of Agreement:</b>	11/19/07 – 11/18/09	<b>Agreement Amount:</b>	\$579,280
<b>Type of Trainee:</b>	Retrainee	<b>No. to Retain:</b>	59
<b>Training Start Date:</b>	11/19/07	<b>Job 1</b>	130
		<b>Job 2</b>	
		<b>Hours:</b>	
<b>Date Training must be completed:</b>	08/17/09	<b>Job 1</b>	280
		<b>Job 2</b>	24 - 200

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ETP (04/15/05)

**FINAL REPORT SUMMARY:**

- **HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 12/07/07 and training began on 11/19/07. You reported that all training was completed on 07/22/09, which allows for the 90-day retention period to be completed within the term ending date of the Agreement (11/18/09).

There were no Revision Requests made during the term of the Agreement.

- **INTERVIEW WITH COMPANY REPRESENTATIVE**

You reported during the Monitoring visit on February 5, 2009, that you became responsible for administration of Nichols' ETP Agreement. As a result, it was initially difficult to administer the training project because you did not have any previous experience with the ETP program or its documentation requirements. Once you became familiar with using the ETP On-line Systems to document class/lab training and invoice for Progress Payments, you had no difficulties with administration activities relating to this Agreement.

You informed Ms. Robinson that Continuous Improvement training for Job 2 trainees resulted in Nichols' implementation of several company-wide, internal cost and time savings processes. You stated that Quest Diagnostic's business needs and restructuring of Nichols led to a temporary reduction in staff responsible for recruiting and maintaining the Job 1 Clinical Laboratory Scientist (CLS) training program. As a result, fewer than anticipated trainees in Job 1 were able to complete the 280 hour ETP funded portion of the one year CLS training program. However, those who were able to participate and complete training helped fill several empty positions within the company. Nichols' last one year CLS training program ended on 09/11/09. However, a remaining deficit to fill Nichols' empty CLS positions resulted in a new CLS training program for 34 new trainees which began 10/12/09.

Due to ETP's recent funding issues, Nichols will not be able to request funds for a third Agreement to help fund CLS training as planned until pre-applications are again accepted by ETP when funding becomes available. It is anticipated that funds may not be available for several months. Therefore, Ms. Robinson suggested Nichols consider requesting ETP funding for the aforementioned 34 trainees' final portion of CLS training which should be completed by 10/11/10. You stated that Nichols will follow-up on this suggestion and will be prepared to complete a pre-application for a third Agreement when ETP can accept pre-application requests for future funding opportunities.

In terms of performance relating to this agreement, Ms. Robinson assisted you with closeout procedures and directions regarding either dropping or invoicing for the remaining trainees who remain active in Jobs 1 and 2. According to ETP records at the time of this final meeting, Nichols retained 35 trainees (59% of planned retention) in Job 1 and 75 trainees (58% of planned retention) in Job 2. Based on this information, the company will earn a total reimbursement of \$337,960 (58 percent of the total encumbered amount) for both Jobs provided all other terms and conditions of the Agreement are met. However, you stated that you would review each eligible trainee's employment history and ETP training records to determine if all ETP eligibility factors have been met.

Ms. Robinson reminded you that the closeout invoice should be submitted no later than 30 days after the end term date of the Agreement (12/17/09). She also provided you with information regarding ETP's Help Desk to assist you with ETP on-line invoicing processes.

**PROJECT STATUS PROVIDED BY THE CONTRACTOR:**

Job Number	Number Started Training	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training (in Retention)	Number of Trainees Completed Retention
1	35	35	*0	*35	0	35
2	103	111	*28	*75	0	75
Totals:	138	146	*28	*110	0	110

\* Because some of the 110 trainees who completed training in Jobs 1 and 2 may not meet all of the terms and conditions of the Agreement, the actual number to be submitted for Final Payment is unknown as of the date of this Final Monitoring report.

**SUBAGREEMENTS:**

You reported that all training was delivered by in-house trainers (employees of Nichols) and that there were no subagreements with any outside vendor for the delivery of training.

**AUDIT:**

Nichols will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

**RECORD RETENTION:**

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "DM Torres".

For Diana Torres, Manager  
San Diego Field Office

A handwritten signature in black ink, appearing to read "Carole Robinson".

Carole Robinson, Contract Analyst  
San Diego Field Office

cc: Kulbir Mayall, Manager, ETP Fiscal Unit  
Master File  
SD Project File

Date report mailed to Contractor